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25X1

Approved For Release 2007/03/07 : CIA-RDP79T00975A027400010010-6

National Intelligence Bulletin

January 29, 1975

CONTENTS

25X1

USSR: SALT resumes in Geneva on Friday; details of Vladivostok understandings to be worked out. (Page 3)

MBFR-NATO: NATO Allies agree in principle on reply to Soviet freeze proposal. (Page 5)

25X1

DENMARK: Hartling loses no-confidence vote; resignation today. (Page 8)

LAOS: Resettlement of refugees finally under way. (Page 9)

CHINA: Peking cancels contracts for US wheat. (Page 11)

NORTH VIETNAM: Party journal acknowledges plenum held last year. (Page 13)

25X1

ECUADOR: Quito levies fines against US firms in tuna case. (Page 19)

FOR THE RECORD: (Page 21)

Approved For Release 2007/03/07 : CIA-RDP79T00975A027400010010-6

25X1

25X1

Approved For Release 2007/03/07 : CIA-RDP79T00975A027400010010-6

Next 1 Page(s) In Document Exempt

Approved For Release 2007/03/07 : CIA-RDP79T00975A027400010010-6

National Intelligence Bulletin

January 29, 1975

USSR

The Strategic Arms Limitations Talks will resume in Geneva on Friday, and the participants are expected to hammer out the details of the understandings reached at Vladivostok. In the wake of the recent US-Soviet trade setback, progress will be watched closely around the world as a measure of Moscow's continuing commitment to detente. The Soviets, well aware of this linkage, are publicly touting the importance of cooperation on arms control by the super powers.

The Vladivostok agreement set ten-year ceilings on the number of strategic delivery vehicles permitted each side--2,400--and on the portion of the missile force equipped with multiple, independently targetable re-entry vehicles--1,320. These limits will form the essential elements of a treaty that could be ready for signing at the US-Soviet summit later this year.

For that schedule to be met, the SALT negotiators must agree on a number of difficult issues, including:

--Which weapons systems will count toward the totals, and which will be excluded from limitation under the treaty.

--What mutual restrictions and interpretations will be necessary to ensure verifiability of compliance with the terms of the treaty.

There is ample opportunity and precedent for the Soviets to raise serious differences on each of these items.

Despite Soviet renunciation of the 1972 trade agreement and serious differences with the US on the Middle East, there is no evidence that Moscow has qualms about the Vladivostok accords. On the contrary, the Soviets have recently re-emphasized their initial, strongly positive public assessments, apparently to offset the negative effect on detente of US-Soviet friction elsewhere.

National Intelligence Bulletin

January 29, 1975

In assessing the results of Vladivostok, Moscow has publicly stressed Soviet attainment of strategic parity with the US, occasionally reassuring domestic skeptics that the Vladivostok agreements will not lead to unilateral disarmament by the Soviet Union. In addition, Soviet media have asserted that any future negotiations on reductions of strategic arms would have to take into account the existence of other nuclear powers. Moscow has given no indication, however, that it intends to reintroduce at this session the issues of third-country nuclear powers, US forward-based systems, or so-called "geographic factors," which it had decided not to press at the November summit.

25X1

National Intelligence Bulletin

January 29, 1975

MBFR-NATO

The NATO Allies have accepted in principle a US suggestion on how the West should reply to the freeze proposal submitted in November by the Soviet delegation to the MBFR negotiations. The fifth round of the talks in Vienna begins tomorrow.

The Soviets proposed that each direct participant in the force reduction talks freeze the size of its forces in Central Europe for the duration of the negotiations. The US has suggested that the West inform the Soviets that their proposal is unacceptable; that a freeze agreement should be negotiated only as part of an agreement to reduce forces; that a freeze could come into effect when a reduction agreement is signed; and that discussions of reductions should have priority.

The US suggestion, which is designed to prevent the Vienna talks from being diverted from their main task of negotiating reductions in forces, takes into account the West Europeans' desire of not appearing to reject flatly the Soviets' proposal. Some of them wanted to make a specific counterproposal, because they feared a possibly adverse public reaction if they rejected the Soviet offer out of hand.

All the NATO Allies have welcomed the US suggestion for a compromise formulation, but the West German representative in NATO's senior political committee has suggested amendments. The committee will continue its deliberations this week, and the North Atlantic Council will probably consider the matter at a special meeting on January 31. The Western Allies hope to reach final agreement by that time and to make their definitive reply as early as possible in the new round of negotiations.

25X1

25X1

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Next 1 Page(s) In Document Exempt

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National Intelligence Bulletin

January 29, 1975

DENMARK

Danish Prime Minister Hartling lost his 13-month struggle with the opposition Social Democrats yesterday. Defeated in a no-confidence vote, he will hand his resignation to the Queen today. The next government is likely to be led by the Social Democrats.

The Social Democrats, who tabled the no-confidence motion, called on Hartling to clear the way for a broadly based, majority government after an all-day debate on his budget proposals. The vote was 86 to 85; some members of other parties that have supported Hartling in past crucial votes did not do so this time.

Hartling was defeated just 19 days after his Moderate Liberals nearly doubled their strength to 42 in the 179-seat Parliament. Hartling's gains, however, came at the expense of parties that usually supported him.

The next government will have to concentrate its efforts on Denmark's serious economic problems. The Social Democrats, who vigorously opposed Hartling's proposal for a wage and price freeze, would permit pay raises for low-income groups and cost-of-living pay increases.

The Social Democrats' hopes of leading a broadly based majority government may be overly optimistic. The ten parties in Parliament are sharply divided into several camps, and Social Democratic leader Jorgensen may have to settle for a single-party, minority government.

25X1

National Intelligence Bulletin

January 29, 1975

LAOS

Nearly two years after the cease-fire, steps are finally being taken to resettle the country's large refugee population. Yesterday, the initial group of refugees opting for resettlement was flown from Vientiane to Communist-controlled territory on the Plaine des Jarres in northern Laos.

Estimates of the total number of refugees in Laos vary widely. USAID, which for years has provided material assistance and food for refugees in the non-Communist zone, estimates that there are some 700,000. Prime Minister Souvanna Phouma, on the other hand, claims that about 1 million--one third of the nation's population--are displaced persons or refugees. Other coalition government officials believe the figure to be in the range of between 400,000 and 500,000. Whatever the actual number, refugees constitute a large percentage of the Lao population.

The Pathet Lao--who control two thirds of the country but less than one third of the population--are fully aware of the refugees' potential significance. Many belong to mountain-dwelling tribes whose ancestral homelands are located in the Communist zone. Should large numbers of refugees opt to return to this area, the Pathet Lao would be in line for a population windfall that could prove extremely valuable when national elections are eventually held.

The Communists prodded the Joint Central Commission--the coalition body responsible for refugee resettlement--into taking action on the issue. They have also been waging an intensive propaganda campaign among the refugees in an attempt to persuade or coerce them to return to their native regions. The effectiveness of the propaganda effort has been enhanced by the sense of neglect among many refugees, as well as by the absence of any move on the part of the non-Communists to convince the refugees to remain in place.

National Intelligence Bulletin

January 29, 1975

The total number of refugees who will ultimately choose to resettle in the Communist zone is not yet known. Preliminary surveys by non-Communist officials in parts of northern Laos and the Vientiane plain--where many of the refugees are concentrated--indicate, however, that the figure may turn out to be 90 percent or more. Seven thousand refugees from these areas have already expressed their desire to resettle.

The Joint Central Commission would like to wrap up the entire resettlement operation by the end of March to enable refugees to plant their rice crop before the rainy season begins. Given the enormous logistic problems involved and the extreme weakness of the coalition government's administrative machinery, however, it is likely that only a small number of refugees will actually be resettled in the next few months.

During the negotiations on refugee resettlement, the Pathet Lao successfully resisted non-Communist demands for prior inspection of proposed resettlement sites in Pathet Lao areas, as well as for guarantees of freedom of movement for the refugees after settlement. The Communists did agree, however, to permit representatives of the UN High Commission for Refugees--which is footing the major share of the resettlement bill--to accompany Joint Central Commission teams on inspection tours of refugee villages in the Pathet Lao zone after resettlement.

25X1

National Intelligence Bulletin

January 29, 1975

CHINA

Peking and Cook Industries have agreed to cancel contracts for the 601,000 metric tons of US wheat that had been scheduled for delivery from February to September. The Chinese are also negotiating with a second trader for the cancellation of an additional 500,000 tons of US wheat. These contracts represent all of the current commitments of US grain to China.

The cancellation of the two contracts--worth about \$160 million--reduces China's planned purchases of grain for delivery this year to about 5.6 million tons. China imported an average of 7.4 million tons of grain in each of the last two years.

The two traders offered to cancel all outstanding contracts last summer, when the Chinese rejected several cargoes of wheat because of infestation and made unreasonably high damage claims because of alleged "foreign substances." Peking rebuffed all offers of cancellation and insisted on deliveries as recently as November.

China's motives for reversing its position now probably include:

--A possible price adjustment, inasmuch as the Chinese contracted for the wheat at about \$4.35 a bushel and the current price is now under \$4.00 a bushel.

--An unusually tight foreign exchange position at this time.

--A grain harvest that may have been better than expected.

--An inability to unload the grain as originally scheduled at China's ports.

--A possible realization that it had overreacted to the unusually volatile conditions that prevailed in the international grain market in mid-1974, causing it to forward contract for too much grain.

National Intelligence Bulletin

January 29, 1975

The cancellation of these contracts does not mean that the Chinese are withdrawing from the US market permanently. On the contrary, rumors are currently circulating among US grain traders that the Chinese are still interested in US grain this year.

25X1

National Intelligence Bulletin

January 29, 1975

NORTH VIETNAM

An editorial in the January issue of the party's theoretical journal, Hoc Tap, acknowledges for the first time that the North Vietnamese last year did indeed hold the 23rd plenum of the Lao Dong Party Central Committee.

25X1



The fact that the plenum was not publicized indicates that, like the 21st plenum, significant decisions on Hanoi's war strategy also were aired--perhaps the decision to carry out the present, stepped-up level of attacks in the South.

25X1



The Hoc Tap article, which focused on the problem of economic construction this year, called on the party cadre and the people to prepare for the three important anniversaries that will take place in 1975 and "to strive to implement the resolutions of the 21st, 22nd, and 23rd Central Committee plenums." This year, North

National Intelligence Bulletin

January 29, 1975

Vietnam will celebrate the 45th anniversary of the party on February 3, the 85th anniversary of Ho Chi Minh's birth on May 19, and the 30th anniversary of the founding of the state on September 2.

25X1

25X1

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Next 3 Page(s) In Document Exempt

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National Intelligence Bulletin

January 29, 1975

ECUADOR

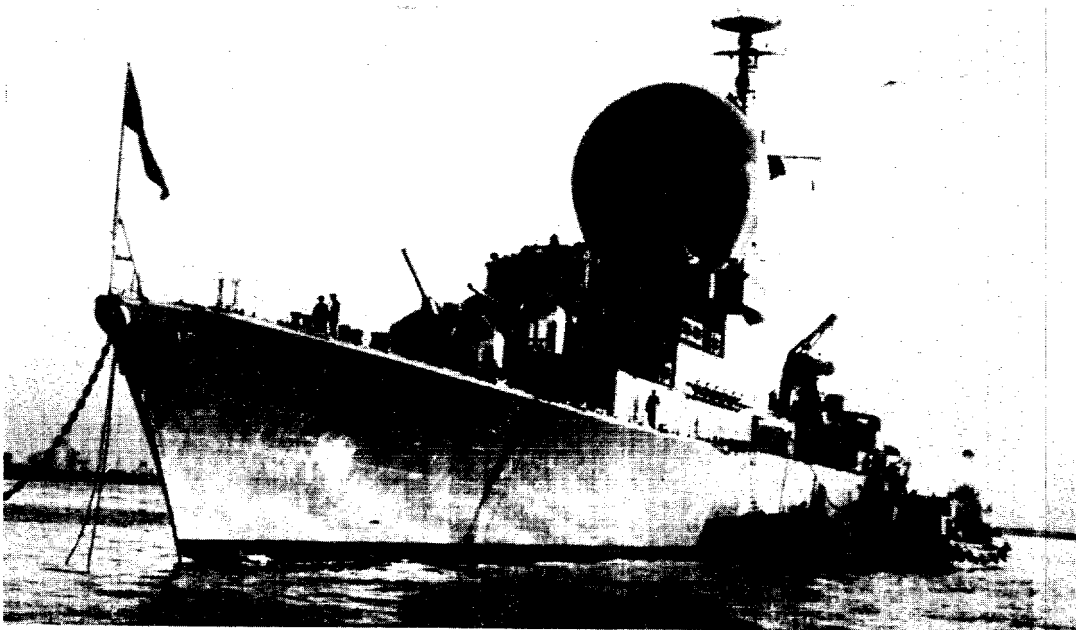
The Ecuadorean government has levied heavy fines against the US fishing companies that lease the four tuna boats seized on Saturday for unlicensed fishing. In addition, the total catch on board the boats has been confiscated and apparently will be offered for sale back to the companies.

The fines total \$253,920, and the 1,130-ton catch is valued at \$235,000 or more. Ecuadorean fishing law requires that 20 percent of all catches unloaded in Ecuador are to be sold on the domestic market.

Although the boats' captains concede fishing inside Ecuador's claimed 200-mile territorial sea limit, at least two of them insist that all or part of their catch was taken outside the limit. The fishing law states, however, that all fish on board at the time of capture will be confiscated.

Thus far, Ecuador has not invoked its new law prohibiting all foreign fishing boats, even those with licenses, from a 40-mile zone along the shoreline. Nevertheless, the authorities' insistence that the four boats were seized near the 40-mile limit leaves open the possibility of harsher penalties after ships' logs and other data--including the US reaction--are studied.

French Guided-Missile Frigate *Suffren*



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National Intelligence Bulletin

January 29, 1975

FOR THE RECORD

France: The French navy reportedly is sending the guided-missile frigate Suffren and the destroyer Kersaint to the Indian Ocean next month. They will stay in the Indian Ocean for about four months and will depart for France near the end of July. Paris has from time to time sent naval task forces to the Indian Ocean for training purposes and to show the flag. Starting last April, however, the French have maintained an increased naval presence in the Indian Ocean, apparently in reaction to what they perceive as a growing Soviet and US influence in the area.

25X1

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25X1

Top Secret



25X1

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